# Impact of Financial Literacy on Investment Behaviour among School Teachers in the District of Kangra (Himachal Pradesh)

## SYNOPSIS

**Submitted in partial fulfillment of the requirement for the award of degree of Doctor of Philosophy in Management**


**Submitted by:**
**Mr. Rabi Kant Sharma**
**Reg. No. 623014002**
**Research Scholar (Management)**

**Supervised by:**
**Dr. Hem Raj**
**Assistant Professor (Management)**

**DEPARTMENT OF MANAGEMENT**
**SAI UNIVERSITY BUSINESS SCHOOL**
**SRI SAI UNIVERSITY, PALAMPUR (HIMACHAL PRADESH) - INDIA**
**176061**


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## Candidate's Declaration

I hereby declare that the work carried out in the synopsis entitled "**Impact of Financial Literacy on Investment Behaviour among School Teachers in the District of Kangra (Himachal Pradesh)** " submitted in partial fulfillment of the requirement for the award of the degree of **Doctor of Philosophy** in the Dept. of Management at Sri Sai University, Palampur is original research work carried out under the supervision & guidance of Dr. Hem Raj, Assistant Professor, Dept. of Mgt, Sai University Business School, Sri Sai University Palampur (H.P).

I also hereby declare that no part of this synopsis has been submitted in part or full for any diploma or degree of this or any other university too.

Rabi Kant Sharma
Research Scholar, Dept. of Mgt
Reg. no 623014002

This is to certify that the above statement made by the candidate is correct to best of my /our knowledge.

Guide/Supervisor:

**Dr. Hem Raj**
**Assistant Professor, Dept. of Mgt**
**Sri Sai University Palampur (H.P)**

The Ph.D. Synopsis Viva Voice Examination of Mr. Rabi Kant Sharma has been held on 27th Jan. 2025 and accepted.

**RDC Internal Member 1:**
**Name & Signature**
Dr. Shilpa Rana.

**RDC Internal Member 2:**
**Name & Signature**
Dr. Vikas

**RDC Internal Member 3:**
**Name & Signature**
Dr. Narayan Singh.

**RDC External Member 4:**
**Name & Signature**
Dr. Karan Thakur
Career Point University
Hamirpur

**Head of Department**
**Sai University Business School**
**Sri Sai University, Palampur (H.P)**

Head of Deptt (Mgt.)
SSU Palampur (H.P.)



Dept of Mgt, Sai University Business School, SSU Palampur (H.P) Page 1

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# 1 Introduction

In the present scenario of rising cost of living and survival for the fittest, financial literacy is the attainment of knowledge and skills to make informed & effective decision making regarding the various aspects of money management like earning, saving, spending, budgeting, protecting & managing of debt. Day to day rising cost of living due to overall complex world economic operations is a clear call to learn money management skills. Therefore, personal financial success (both short-term and long-term financial objectives) of the person requires for the strong foundation of financial literacy. So being financially independent needs acquiring useful talents rather than just knowing formulas and statistics.

Financial literacy basically comes down to knowing how money functions in the real world. People possessing financial literacy are observed to be better equipped towards their resources management and reach their financial objectives too. A broad range of subjects are covered such as investing, retirement planning, banking, credit, debt management, and insurance. It also involves acquiring useful skills that enable people to take charge of their financial destiny. People having solid foundation in financial literacy are better able to make prudent financial decisions, stay away of frequent debt traps or poor investment choices, and gradually accumulate wealth. Therefore, financial security and financial stability are the ultimate outcomes of financial literacy, leading to live a stressless life ahead too.

## 1.1 Financial Literacy and Investment Behaviour

In simple terms, knowledge of finance is all about financial literacy while investment behavior is a subset of financial behavior i.e. Investment behavior is all about investing your money to grow your wealth. From Selection of assets to Risk tolerance (i.e. the amount of risk someone is ready to take for his investments) to Timing (i.e. making decisions regarding when to buy or sell off investments depending upon either personal requirements or current prevailing market conditions) to chalking up of strategy (i.e. chalking down a plan to invest in number of assets in order to achieve the desired financial results). Therefore, it can be said that investment behavior revolves around the concept of how to invest your money for its growth and where to invest your money for its growth.

## 1.2 Need of the Study

After the salary revision under 6th Pay commission, Govt School teachers are found to be drawing a good salary and they are observed to be habitually good savers also. But the return obtained from fixed deposits is somewhere at par with rate of inflation only. Therefore, govt school teachers don't get any substantial gain out of their so called safe & low risk investments. They are having basic financial literacy but lack completely advanced financial literacy where investing in stock market, mutual funds, derivatives, sovereign gold bonds (SGB's) comes into play.

On the contrary, Majority of Private School teachers are found to draw moderate take home which is sometimes not commensurate to fulfill their wants rather than their needs. They are observed to be having highly saving oriented mindset. They are aware of few of the day to day commonly used financial instruments like saving accounts, post office monthly income schemes & bank fixed deposits. But if we talk about the basic & advanced financial education, then they are found to be laggards.

## 1.3 Factors Effecting Financial Literacy

Financial literacy has three major dimensions i.e. Financial Knowledge, Financial Attitude & Financial Behavior. The financial literacy may be affected by the following list of factors:

| Sr. No | Factors | Variables |
|---|---|---|
| 1 | Education | Formal Education, Informal Education |
| 2 | Socioeconomic status | Income, Employment status, Wealth |
| 3 | Cultural & Social Influences | Family Influence, Social Networks, Cultural Attitudes |
| 4 | Access to financial Services | Banking Services, Technology |
| 5 | Personal Characteristics *(Demographic Factors)* | Age, Gender, Psychological Factors |
| 6 | Government Policies | Regulations & Programs, Economic Environment |
| 7 | Media & Information | Media Influence, Information Quality |
| 8 | Life Experience | Financial Crises, Major life events |
| 9 | Behavioural factors | Habits, Motivation & Attitude |

## 1.4 Factors Effecting Investment Behaviour

People invest basis of their capacity to take risk i.e., risk exposure & residual income in hand i.e., the amount left after catering all the necessary day to day expenditures. Investment behavior is influenced by some factors, listing the prominent as follows:

| Sr. No | Factors | Variables |
|---|---|---|
| **1** | Psychological factors | Risk tolerance, Over confidence, Emotions, Herd |

| | | |
|---|---|---|
| **2** | Social Factors | Peer Influence, Cultural influences, Social Networks |
| **3** | Economic factors | Market conditions, Interest rates, Inflation, Government Policies |
| **4** | Individual factors | Income & wealth, Age, Education & Knowledge, Goals & Objectives |
| **5** | External Factors | Political stability, Regulatory environment, Technological advancements |
| **6** | Behavioural biases | Anchoring, Confirmation bias, Loss aversion, Regency Effect |

Financial literacy has direct impact on the investment behaviour, as better the level of financial literacy, the level of understanding about various financial instruments will correspondingly be higher. Simultaneously, better understanding of multiple financial instruments will lead towards the ability to select the financial instruments which will fulfill the financial requirements as well as to have the better risk-return trade off too.

## 1.5 Conceptual Framework of Financial Literacy among School Teachers

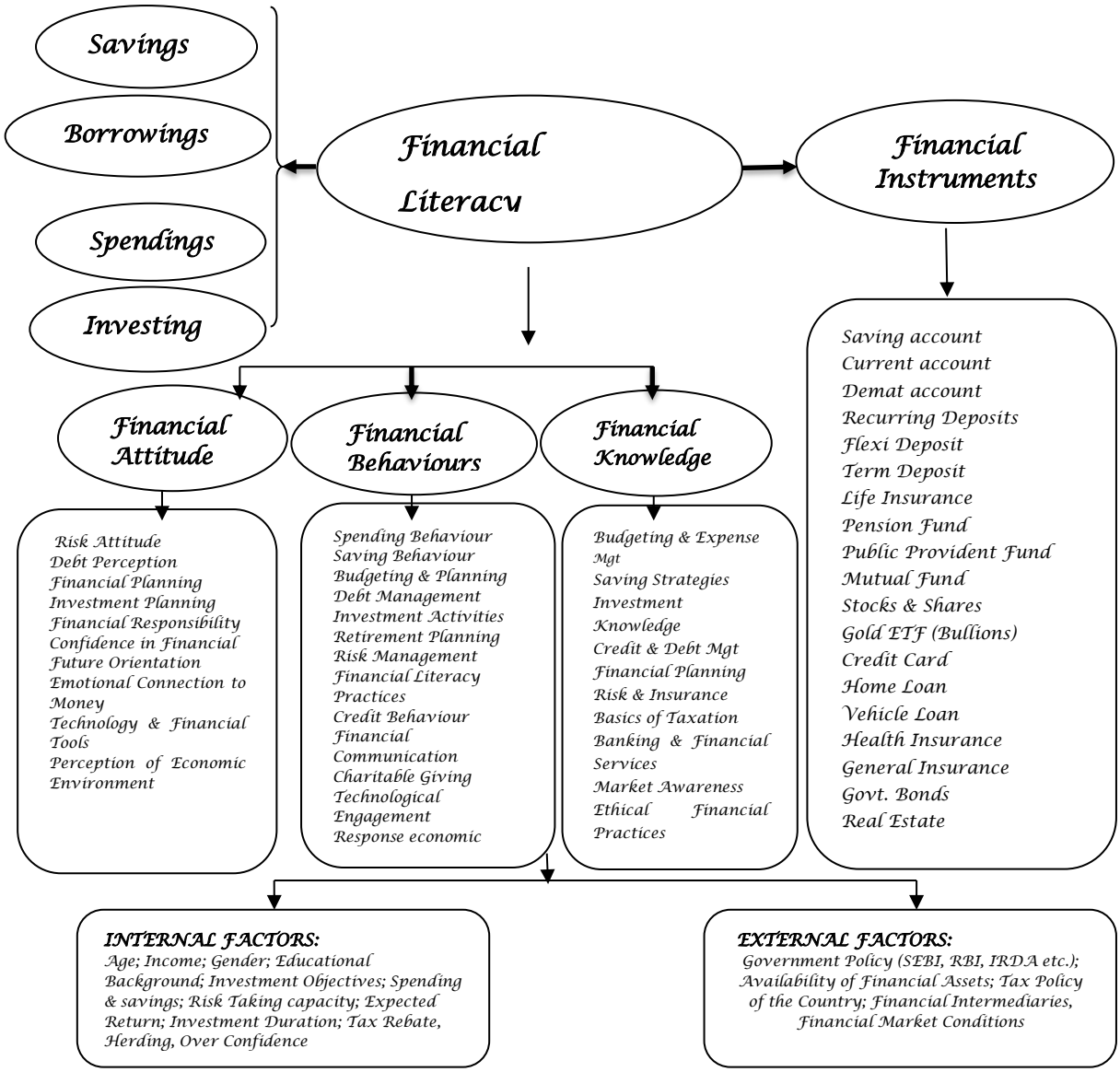


**Figure: Conceptual Framework of Financial Literacy**

Financial literacy is composed of its conceptual model covering multiple of characteristics like savings, spending, investing, borrowing & budgeting. Apart from this, financial literacy has three major dimensions: 1. Financial Attitude 2. Financial Knowledge & 3. Financial Behaviour. Financial literacy hovers around different financial instruments like debt, equity & hybrid financial instruments (a detailed list also mentioned in the abovementioned conceptual framework). Here investment behaviour is one of the components of financial behaviour, upon which the impact of financial literacy is proposed to be checked. Moreover, there are number of internal as well as external factors which have an impact upon the investment behaviour.

### 1.6 Research Problem

A research problem is the knowledge that a researcher seeks to address through his/her study. In any research, formulation of research problem is the first and foremost requirement. Problem correctly assessed and identified is like half the task done. The famous scientist Albert Einstein said that if someone has one hour for solving a problem, he should spend his first 55 minutes for thinking of the different aspects of the problem itself and the remaining just 5 minutes on thinking about the solution/s. Therefore, the problem area derived here for the purpose of study is: *"Impact of Financial Literacy on Investment Behaviour among School Teachers in the District of Kangra (Himachal Pradesh)."*

## 2. Review of Literature

Literature is the backbone to go ahead with the idea of research. It is the bunch of previous related research materials where manuscript gives a detailed idea on various aspects of the related topic itself. One of the good things about literature review is that it gives the guidance on the problem area which is yet to be explored along with highlighting the gaps in the whole study.

**Jyothi et al., (2023)[1]** As per study findings, teachers are average financially literate. The way teachers are going to judge their investments is affected by their income level, their willingness to take risk & possession of investment skills. This study is valuable because no lot of previous work has been done on the subject of Teacher's financial literacy & their investment behaviour.

**Dipti et al., (2023)[2]** The study revealed that male and female teachers prioritize savings for future commitments, such as education expenses for themselves or their children in Bengaluru, West Region. And for better money management, Teachers need to have financial knowledge.

**Heer Shah et al., (2023)[3]** According to the study, academicians financial well- being

is significantly influenced by their financial conduct, financial attitude, and financial knowledge. The findings highlight how crucial it is to incorporate financial education into academic programs in order to improve student's financial literacy. The study emphasizes the value of financial knowledge in decision-making by evaluating how financial literacy components affect academician's financial well-being in Gujarat.

**Prince Jali et al., (2023)[4]** The study investigates the effects of financial technology and financial literacy on high school Teacher's financial behaviour in developing economies. High school teacher's financial conduct was found to be mostly influenced by their financial literacy skills.

**Davinder Kaur et al., (2023)[5]** Research paper titled "An examination of Selected high school student's financial literacy in Pune (Maharashtra), it looks at how parents and teachers feel about giving their kids financial education, giving better understanding of how these two groups influence student's attitudes towards money. It was also found that educators (teacher's) and parents influence student's attitudes towards money.

**Ganny et al., (2023)[6]** s per the study, overall teacher's financial literacy level is found to be low. For gaining their level of financial knowledge different programmes are recommended to be conducted in the shape of orientations, trainings, seminars & workshops. Inviting financial advisors in the schools for imparting short duration lectures can also be beneficial. For upcoming researchers, a scope for conducting similar studies for the assessment of Teachers personal financial management is there.

**Marvin Kapenda (2023)[7]** According to the research paper, the purpose of this study was to analyse the level of personal financial literacy among secondary school teachers. The results from the sample of 354 teachers show that as per study most of the secondary school teachers, doesn't have a good level of personal financial literacy, but they are aware of different areas of personal financial planning and are capable of making their own plans regardless of their level of expertise.

**Subhra Sengupta et al (2023)[8]** This Study revealed that majority of respondents faced the same type of fear of investing in the stock market i.e. fear of losing money. Investing into stocks and mutual funds were the common most investment avenues with primary objective in mind to reap more income and wealth building. It is observed that online researches are more relied along with traditional sources like family, friends & investment advisors. In fact, investment in rapidly growing crypto currency is also found to be low.

**Gutti R. K. Prasad et al., (2022)[9]** According to the research paper titled "An

Analysis of Financial Literacy and its Impact on Financial Behaviour of Teachers working in Higher Learning Institutions in Hyderabad" it came into light in terms of financial behaviour that 48.5% of teacher's employed by Hyderabad's higher education institutions exhibit high financial behaviour. Additionally, the study found that Teachers financial behaviour is influenced by financial literacy by 59%.

**Subhadra et al., (2022)[10]** It came into light from the study that it is essential for millennial educators/teachers to be financially literate since it will enable them to serve as role models for their students and advance societal development. The study emphasizes how critical it is to raise Teachers' financial literacy in order to enable them to handle their money wisely and have a beneficial impact on their students' lives and society/community at large as well.

**Annu (2022)[11],** It is revealed through the research conducted on effect of financial literacy on the investment behaviour of Academicians in Haryana. Study shows that financial education programs need to be conducted in rural area & urban area(both) as people here are lesser financially literate than others. Financial literacy programs are also need to be spread at School level as respondents from school level are found to be lesser financially literate than at the college level.

**Cyrus Casingal et al., (2022)[12]** This research paper lime lighted that public school teachers have two main worries regarding their present financial situation and difficulties. First of all, the majority of them are having financial difficulties. Second, they have too much financial responsibility on them. Teachers in public schools tend to overestimate their financial literacy. They are not financially capable when it comes to making financial decisions.

**Erzesbeth Nemeth et al., (2022)[13]** This study highlighted that Teachers are observed to highly value their financial literacy & are risk averse too. In context of developing teachers' skills follow on training & self-development through self- education textbooks are recommended as effective tools. As an innovative approach, financial aspects need to be included as highlight in subjects which are currently are taught.

**Victorino (2022)[14]** The study looked at the private secondary school teachers' personal financial activities in a few chosen communities within the Philippines' 4th congressional district, Quezon. According to survey data, a sizable portion of participants are susceptible to financial hardship. A moderate approach to finances and a low level of financial

literacy point to inadequate money management. Data confirm that action must be taken to restore the current resource treatment model, including financial training and education.

**Norman et al., (2022)[15]** This research paper titled "Financial literacy, challenges, and performance of teachers in Leyte I district" reflected that financial knowledge and financial attitude of teachers may be strengthened through a financial literacy seminar. Implication can be drawn that the financial literacy of teachers particularly on financial knowledge and financial attitude are directly related or have affected their performance.

**Adrian et al., (2022)[16]** According to this research paper, given that several respondents found it difficult to accurately reply to literacy questions, it is advised that financial literacy training be given to Higher Educational Institutional teachers. To address the unique needs of educators, however, tailored behavioural coaching is strongly advised because financial conduct has been shown to have a major influence on financial well-being.

**Khujan Singh et al (2022)[17]** As per the research paper, although having a solid understanding of finance is crucial for making decisions and influences how people save and invest, it is not a reliable indicator of the best financial habits on its own. Many behavioural, socioeconomic, and demographic factors have a big influence on people's investing and saving habits

**Anusree Bose et al., (2021)[18]** The results of this research paper showed that, in comparison to older teachers, younger teachers had better levels of financial literacy (Kolkata based study). Male instructors in the sample had higher levels of financial literacy than female Teachers, according to gender-based analysis. The study discovered notable differences in the financial literacy levels of teachers from various academic fields when comparing financial literacy across educational departments.

**Siddhi (2021)[19]** This study revealed that Teachers should be given financial education so that they can pass on the same to their students & other fellow teachers. Teachers should come forward pro- actively to learn about financial education so that they can manage(plan) their increased salaries under revised pay scales. Teachers should well equip themselves with financial education so that they can manage their funds well and also be a resource in training their students to be successful fund managers. As a limitation, present study is limited to Mumbai & it doesn't consider school level teachers.

**Kathleen Joy C et al., (2021)[20]** Revelations of the study says that teachers have the awareness to save money for their short term as well as long term goals. They are found to

track their costs with monthly budgeting. They have to borrow loans because of some unforeseen circumstances like economic slowdown, some natural disaster, emergency in family or any unwanted occurrences which necessitate the requirement for funds. Teachers with good financial understanding borrow loan but within their risk appetite while teachers with low financial knowledge get trapped in big loans to cater their daily needs as well as to improve their living level.

**Arjay et al., (2021)[21]** It came to light after going through this research paper that Teachers may not have enough money, which suggests that they need to improve their financial planning and management. Teachers can lessen their negative savings by eliminating wasteful spending, emphasizing the value of setting priorities for your spending and creating a budget.

**Jairaman et al., (2019)[22]** The study used a 43-item survey to compare the financial literacy and teaching practices of 82 early and elementary teachers in the US and India. This entire analysis reflected that teacher in India scored significantly lower on financial literacy than their US counterparts. The results also highlight how crucial it is to incorporate financial literacy instruction into teacher preparation programs in order to close the current gaps in student understanding and instructional strategies.

**Sri Zulaihati et al., (2019)[23]** This research paper titled "Teachers' financial literacy: Does it impact on financial behaviour?" revealed that how secondary school teachers get influenced by acquiring financial literacy through their financial behavior is the aim of this study. Financial behavior takes into account the behavior in terms of savings, shopping, short term & long-term planning. Study findings clearly depict a positive impact of teacher's financial literacy on their financial behavior. High financial literacy will lead to more sensible decision making like future saving, retirement planning, more inclined to shopping during sale seasons, set their financial goals & prepare their short term and long-term financial budgets. And moreover, as suggestion, Government financial literacy initiatives can lead to capital market investments (like in share market securities, Mutual funds etc.).

**Mukesh Kumar (2019)[24]** This research paper titled Financial literacy of Himachal Pradesh "A case Study of District Kangra" The whole piece of this research paper focuses upon the case study on financial literacy of the Kangra district. Study focus area is determination of level of financial literacy of people living in district Kangra.200 respondents selected for the study with majorly selected respondents being Govt employees and private sector employees. A criterion set is people scoring less than 60% marks are treated as financially illiterate. In this study 120 persons out of 200 respondents scored less than

60%, so are financially illiterate while only 40% are financially literate. Financial literacy of Male respondents is found to be higher than female respondents as most of the financial decision-making is in the hands of males. People working in govt & private sectors are more financial literate than those who are into agriculture including labourers.

**Anand Naik Panvelkar (2019)**[25] This study examines the connection between North Goa school teachers' investment decisions and their financial literacy. The purpose of the study is to determine how educators' investing and saving habits are influenced by their financial literacy. To summarize, there is a clear need for improved financial education, a lack of familiarity with both basic and sophisticated financial concepts, and a lack of consultation with financial advisors when it comes to the financial literacy gap among school instructors. It is imperative to bridge these gaps in order to enable educators to make more informed investment choices.

## 2.1 Research Gap

Review of research literatures are emphasizing the need to explore more on the effect of financial literacy on the investment behavior of school teachers. Teachers are the creators i.e. foundation stone of the overall education system. Their financial stability has a direct impact upon their students i.e. the upcoming future of the country. When students see their teachers as financially stable & well off, their confidence level in them substantially increases. And teachers will find themselves more willing in imparting education with a positive outcome if they will be financially stable.

According to the article published in Financial Express as on 29th of April 2016, former Reserve Bank of India (RBI) Governor Mr. Raghuram Rajan had strongly emphasized on including financial literacy in the curriculum of schools.[26]

Similarly, according to the Financial Express dated 24th November 2020, Securities Exchange Board of India's (SEBI) former executive director Mr. G.P. Garg said that on literacy front India is close 80% but luck is not in our side when we talk of financial literacy percentile. In the last year, a survey was conducted by NCFE (i.e. National Centre for financial education) which discloses that when we talk of financially literate of Indian's then it comes to 27% only.[27]

As per the Economics Times dated Dec 29, 2023 Union Finance Minister Mrs. Nirmala Sitharaman firmly told that teaching at school level financial literacy should be the focus area.[28]

## 2.2 Objectives of Research

**i)** To examine the level of Financial Literacy among the school teachers of district Kangra.

**ii)** To Identify the Demographic Factors affecting the Financial Literacy of school Teachers in the District of Kangra.

**iii)** To identify how the Financial Literacy will create an Impact on Investment Behaviour of school teachers in the district of Kangra.

## 3. Research Methodology

It is the blueprint i.e., the systematic as well as structured framework which outlines the entire research process like the way data will be collected, analyzed & interpreted in order to test the hypothesis or answer a specific research question.

There are three major dimensions of financial literacy: 1. Financial Knowledge 2. Financial Behavior 3. Financial Attitude. The problem Statement, research objectives, hypotheses of research, research design, sampling design, data collection sources, designing of questionnaire for primary data collection and statistical tools to be used for the data analysis comes under the purview of research methodology. This part majorly focuses upon the procedure & techniques to be used for conducting the present study.

### 3.1 Formulation of Hypotheses

**Hypothesis for 1st Objective:**

**$H_0$:** There is no significant relationship between level of financial literacy & School Teachers in district Kangra.

**$H_1$:** There is significant relationship between level of financial literacy & School Teachers.

**Hypothesis for 2nd Objective:**

**H0:** There is no significant relationship between demographic factors & financial literacy of School Teachers.

**H1:** There is significant relationship between demographic factors & financial literacy of School Teachers.

**Hypothesis for 3rd Objective:**

**$H_0$:** There is no significant impact of financial literacy on investment behavior of School Teachers in district Kangra.

**$H_1$:** There is significant impact of financial literacy on investment behavior of School Teachers in district Kangra.

### 3.2 Research Design

In research, design refers to the roadmap or plan or blueprint or overall strategy on the way the entire research needs to be conducted. It clearly states the methods/procedures for data collection, data analysis & data interpretation. Descriptive research design along with explanatory research design approaches will be used here. Explanatory research design approach to analyze and assess the impact of various variables such as demographic like gender, age, sex, qualification, work experience, discipline etc. along with other variables, on the financial literacy of school teachers in district Kangra. Primary sources of data with Questionnaires along with direct interview & secondary data (from websites, books, periodicals & newspapers), will remain the key instruments for carrying out the research work.

### 3.3 Universe of Study

The consensus happened in year 2001 depicted the population of district Kangra with growth rate of 14.05% to be 13, 39,030. Consensus 2011 with growth rate of 12.77% was 15, 10,075. For calculating the total population after 10 years for district Kangra for 2021 growth rate taken as average of last two consensus i.e. 13.41% [(14.05% +12.77%)/2]. So, population in year 2021 will be 17, 12,576 and with an increase of 1.341% per annum, population up to the June month completion of the year 2024 should be 17, 68,578. Applying Pupil teacher ratio [Source: Page no. 65 of District demographic report link mentioned below[29]], total number of teachers in district Kangra derived to be 42,463. Therefore, the Universe of the Population will be 42,463.

### 3.4 Sample Size along with Rationale

Sample size for finite population is calculated with the help of following formula (given by Yamene, 1967) by taking 95% confidence level or 5% Margin of error:

$$n = \frac{N}{1+N(e^2)}$$

Where, n = Size of the Sample
N = Universe
e = Margin of error

Therefore, Sample Size (n) = $\frac{N}{1+N(e^2)} = \frac{42,463}{1+42,463(0.05^2)} = \frac{42,463}{1+42,463\ (0.05\times0.05)} = \frac{42,463}{107.16} = 396$

As sample size increases, results would be more reliable (according to law of inertia of large sample). Therefore, sample size taken to be on higher side to 600 respondents of District Kangra.

### 3.5 Sources of Data

Data is expected to be an idle combination of both the first-hand data and second-hand data. First-hand data will be the primary data which will directly come from the respondents itself for the first time, while second hand data will be the data source which comprises of the work of previous researchers, agencies, govt or pvt bodies or so. Kangra is the biggest district of entire Himachal Pradesh where people from all districts of Himachal Pradesh are living for their livelihood, whether be in service sector, agriculturists, Agricultural Labour or self-employed businessmen. According to the Directorate of Consensus operations 2011(series 03 Part XII-B as a base), there are 15 Blocks in district Kangra: 1. Baijnath 2. Bhawarna 3. Dehra 4. Fatehpur 5. Indora 6. Kangra 7. Lambagaon 8. Nagrota Bagwan 9. Nagrota Surian 10. Nurpur 11. Panchrukhi 12. Pragpur 13. Rait 14. Sulah & 15. Dharamshala and, District Kangra is spread into the area of 5739 square Kilometers with currently 3809 villages in totality including around 35 Sub districts (tehsils) in District Kangra.

| Total Number of Teachers in District Kangra (Universe) | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sr. No** | **Block** | **Teacher-Pupil Ratio (Number) (Note 1)** | **Total Population (Census 2001) (Note 2)** | **Total Population (Census 2011) (Note 3)** | **Total Population (2021) (Note 4)** | **Total Population (up to June 2024) ( Note 5)** | **No. of Teachers (Note 6)** |
| **1** | Baijnath | 19.07 | 74346 | 83840 | 95082 | 98191 | 2574 |
| **2** | Bhawarna | 19.43 | 80439 | 90711 | 102875 | 106239 | 2734 |
| **3** | Dehra | 23.84 | 112601 | 126980 | 144008 | 148717 | 3119 |
| **4** | Fatehpur | 23.27 | 94032 | 106039 | 120259 | 124191 | 2668 |
| **5** | Indora | 22.44 | 96411 | 108722 | 123301 | 127333 | 2837 |
| **6** | Kangra | 22.39 | 120992 | 136443 | 154740 | 159800 | 3569 |
| **7** | Lambagaon | 17.81 | 69058 | 77877 | 88320 | 91208 | 2561 |
| **8** | Nagrota Bagwan | 22.26 | 90753 | 102342 | 116067 | 119862 | 2692 |
| **9** | Nagrota Surian | 22.18 | 88839 | 100184 | 113618 | 117333 | 2645 |
| **10** | Nurpur | 25.73 | 101614 | 114590 | 129958 | 134208 | 2608 |
| **11** | Panchrukhi | 16.67 | 66075 | 74512 | 84504 | 87267 | 2617 |
| **12** | Pragpur | 19.34 | 104743 | 118118 | 133958 | 138338 | 3576 |
| **13** | Rait | 25.02 | 104017 | 117300 | 133031 | 137381 | 2745 |
| **14** | Sulah | 17.76 | 62825 | 70848 | 80348 | 82975 | 2336 |
| **15** | Dharamshala | 15.01 | 72285 | 81515 | 92446 | 95469 | 3180 |
| | **Total** | | **1339030** | **1510021** | **1712515** | **1768514** | **42463** |

*(Source: https://hpkangra.nic.in/demography/ )*

*Note 1 Pupil Teacher ratio given in Pg no 43 of District Kangra Demographic report (https://hpkangra.nic.in/demography)*

*Note 2 Population Growth rate @12.77% in Census year 2011 (https://hpkangra.nic.in/demography/)*

*Note 3: Population Growth rate in consensus 2001 was @14.05% (https://hpkangra.nic.in/demography/)*

*Note 4: Growth rate @13.41% in year 2021 calculates as an average of census year 2001 & 2011 [(=14.05%+12.77%)/2]*

*Note 5: Growth rate @3.93% from year 2021 to year 2024*

*Note 6: Calculation = [(Total Population in 2021*2/4)/ No. of pupil per teacher]*

*Note 7: Family taken as comprising of total 4 members (Parents & Two School going child)*

*Assumption 1: Being urban area Pupil teacher ratio of Dharamshala assumed as 15.01*

*Assumption 2: Dharamshala being headquarter & city assumed as an urban population (Pg 65 of Demographic report link)*

Data will be collected from Private & Government Schools of five randomly selected blocks (which may vary) of district Kangra which fits for the best representation of the district Kangra as a whole. By using Proportionate or Disproportionate Stratified Sampling method (one of the types of Probability sampling), Strata's of Private as well as Govt school teachers (depending upon the field visit) will be made from these selected five blocks and finally, through random selection from all these strata' s, final sample will be drawn/formed with a level of significance of 5%.

### 3.6 Proposed Statistical Tools

According to Galloway (year 1997) 5% to 10% of Sample Size finalized is appropriate for Pilot testing. Therefore, for betterment of the test results, Cronbach's alpha test on 10% of sample size of 600 respondents i.e., 60 respondents (for checking the feasibility of reliability co-efficient falling within the acceptable range of 0.7 to 1.0 in social sciences) will be administered. This will give clarity on internal consistency & reliability check of the proposed questionnaire for the study too. Suitable changes will be made to make the Questionnaire ready for main survey data collection from the entire sample. Data will be collected from secondary sources like various online published research papers, official websites of various regulatory bodies, research theses, journals, reports, books, Periodicals, newspapers etc.

## 5. Data Analysis and Interpretation

Therefore, in order to assess the impact of financial literacy on the investment behavior of school teachers in district Kangra, various proposed descriptive statistical tests can possibly be used for like: Graphical Presentation, Average Mean, Arithmetic Mean, Standard Deviation and Weighted Average along with Correlation and Regression, ANOVA, Chi Square test. T-test can also be used for analyzing, interpretation of data and for drawing conclusion. Statistical software's like SPSS & Microsoft excel will be used to conduct the analytical work.

## 3.8 Tentative Chapterization of Thesis

Chapter 1: Introduction

Chapter 2: Review of Literature

Chapter 3: Research Methodology

Chapter 4: Data Analysis and Interpretation

Chapter 5: Results & Discussions

References

Proposed Questionnaire

## References


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## PROPOSED QUESTIONNAIRE

***Dear Respondent's,***

*Myself, Rabi Kant Sharma (PhD Scholar from Dept. of Management, Sai University Business School, Sri Sai University, Palampur, H.P) conducting a detailed study on the topic titled* ***"Impact of Financial Literacy on the Investment Behaviour of School Teachers in the District of Kangra, Himachal Pradesh".*** *In order to make this study successful, I humbly request you to kindly spare some of your precious time to fill the Questionnaire which is extremely important for the study. I assure that all the information's provided by you will be kept confidential and each & every information will only be used for academic purposes.*

### SECTION: I

***(i)DEMOGRAPHIC DATA [Collecting statistical information about a population (i.e. School Teacher's, the respondents of the study) that can be utilized to characterize them]***

**1.** Name of the Respondent : (Optional)

**2.** Gender : ☐ Male ☐ Female

**3.** Age : ☐ 18yrs to 27yrs
☐ Above 27yrs to 37yrs
☐ Above 37yrs to 47yrs
☐ Above 47yrs to 58yrs

**4.** Educational Qualification : ☐ XII ☐ Graduation ☐ Post Graduation
☐ Doctorate (Ph.D.) ☐ Professional Degree or Diploma

**5.** Marital Status : ☐ Married ☐ Unmarried ☐ Divorced/Separated

**6.** Residential Status : ☐ Urban ☐ Rural ☐ Semi Urban

**7.** Study Discipline : ☐ Science & Technology ☐ Arts & Humanities
☐ Commerce

**8.** Occupation : ☐ Govt School Teacher ☐ Pvt School Teacher

**9.** Teaching at : ☐ Primary School Level-JBT ($1^{st}$ -$5^{th}$)
☐ Middle School Level-TGT ($6^{th}$-$8^{th}$)
☐ Secondary & Senior secondary school level-PGT ($9^{th}$–$12^{th}$)

**10.** Teaching Experience : ☐ 0-10yrs ☐ Above10-20yrs
☐ Above20-30yrs ☐ Above 30-40yrs

**11.** Income (Monthly) : ☐ Upto INR 10,000 ☐ INR 10,001 - Upto INR 20,000
☐ INR 20,001- Up to INR 50,000 ☐ INR 50,001 & above

**12.** Block : ☐ Panchrukhi ☐ Baijnath ☐ Lambagaon
☐ Kangra ☐ Bhawarna

**SECTION: II**

***(ii) FINANCIAL LITERACY [i.e. the capability to understand & utilize financial concepts for making informed decisions regarding money earned by School Teachers]***

***Please answer below mentioned Questions in order to check the "FINANCIAL KNOWLEDGE" of School Teacher i.e. to check the basic knowledge of few financial terms & simultaneously the capability to do some basic mathematical calculations in financial decision making.***

**1.** As a school teacher if you are having Rs 1000 in your Fixed deposit account and simple interest payable by the bank is 7% yearly. How much you will get after 1 year?

☐ Rs 1070 ☐ More than Rs 1070 ☐ Less than Rs 1070 ☐ No Idea

**2.** Being a teacher if you deposited Rs 1000 in an account for 2 years at compound interest of 10% yearly. How much will you get after 2 years of FD maturity?

☐ Exactly Rs 1100 ☐ More than Rs 1100 ☐ Less than Rs 1100 ☐ No Idea

**3.** You being a school teacher received Rs 1000 today and another school teacher 'Ms Y' also received the same Rs 1000 but after 2 years. Then who will be more rich after 2 years?

☐ You ☐ Another teacher (Mrs.Y) ☐ Both have same money value ☐ No Idea

**4.** As a school teacher, do you think that investing in shares carry higher risk than investing in Mutual funds?

☐ Agree ☐ Not Agree ☐ No Idea

**5.** If you get 3% return from savings account & inflation is 6%. Then how much will you be able to purchase after 1 year?

☐ Same as today ☐ Less than today ☐ More than today ☐ No Idea

**6.** As a teacher of school, which of the following will normally give more return to you after 10 years or above 10 years of period?

☐ Shares ☐ Debentures & Bonds ☐ Bank Fixed Deposits ☐ No Idea

**7.** Do you agree that Deflation means 'living cost is coming down' & inflation mean 'living cost is going up'?

☐ Agree ☐ Not Agree ☐ No Idea

**8.** Being a School Teacher, do you think that Investment carrying high risk normally provide high return also?

☐ Agree ☐ Not agree ☐ No Idea

**9.** Being a school teacher what do you that normally which of the following asset will carry high price fluctuation (i.e. ups & downs) over a period of time?

☐ Shares ☐ Bonds ☐ Fixed Assets ☐ No Idea

**10.** As a school teacher do you agree with this statement: 'Purchasing a share is normally safer than a stock mutual fund'?

☐ Agree ☐ Not Agree ☐ No Idea

**11.** Being a school teacher, do you make sure that the insurance cover you buy will cover the things like health issues, life, accident cover, home hazards cover, etc?

☐ Yes ☐ No

**12.** Do you believe that making careful decisions about you finances (i.e. your money) effect your financial image?

☐ Agree ☐ Not Agree ☐ No Idea

**13.** Do you have knowledge of different financial instruments like Saving a/c, Mutual fund, Bonds, Insurance (Health, Life), Real estate, bullion (Gold, Silver).

☐ Yes, I have the knowledge ☐ No, I don't have the Knowledge

**14.** What do you do to bring financial peace to your family if something happens to you?

☐ Buy a big house ☐ Buy insurance policy to cover your family completely

☐ Buy Shares ☐ No idea

**15.** What does happen to the risk if you invest your money among different types of assets?

☐ Risk will Increase ☐ Risk will decrease ☐ No change in risk ☐ No Idea

**16.** Being a school teacher, what do you think about the suitability of opting for high risk-high return investment strategy?

☐ Suitable for earning youngster with no liability ☐ Suitable for retired people living on fixed income ☐ Suitable for middle aged person who need fund for his kid's education after 3 years ☐ All of the above mentioned as all of them require high return

***(iii) FINANCIAL ATTITUDE means School Teacher's (i.e. the respondents of the study) mentality, viewpoint, and judgement towards his/her money [SD=Strongly Disagree, D=Disagree=Neutral, A=Agree, SA=Strongly Agree]***

| | **Statements** | **SD (1)** | **D (2)** | **N (3)** | **A (4)** | **SA (5)** |
|---|---|---|---|---|---|---|
| **A** | It is important to have a financial plan | | | | | |
| **B** | I feel happy in speaking about management of money with my peers & friends | | | | | |
| **C** | I think myself to be a risk taker about financial matters | | | | | |
| **D** | Handling money is stressful because it is a source of worry | | | | | |
| **E** | Being a school teacher, I believe purpose of money is for spending | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **F** | I feel satisfied while spending rather than saving for my long-term | | | | | |
| **G** | I will borrow rather than waiting when it is about investing | | | | | |
| **H** | I feel guilty also whenever I think of about my personal finances | | | | | |
| **I** | I remain interested in increasing my knowledge on money management | | | | | |
| **J** | I feel worried when it is about paying day to day living expenses | | | | | |
| **K** | I am confident that after retirement as a school teacher, I will be able to maintain the current life style | | | | | |
| **L** | I try my level best to remain updated on financial/money matters | | | | | |
| **M** | Being a school teacher, I do my research work before making any financial decision | | | | | |
| **N** | For taking my investment decisions, I take advise from my spouse or my family members | | | | | |
| **O** | As teacher, I prefer to analyse both risk and return before investing | | | | | |

***(iv) FINANCIAL BEHAVIOUR means the way School Teacher's i.e. the respondents of the study, manage his/her money, takes financial decisions and handle his/her financial issues (here school teacher's behaviour for his savings, expenses, payment of bills & planning of his/her financial matters) [ SD=Strongly Disagree, D=Disagree=Neutral, A=Agree, SA=Strongly Agree]***

| | **Statements** | **SD (1)** | **D (2)** | **N (3)** | **A (4)** | **SA (5)** |
|---|---|---|---|---|---|---|
| **a** | Myself as a school teacher, allocate (i.e. Keep separate) funds for my saving account regularly | | | | | |
| **b** | As a teacher I also prefer to allocate some funds for specific events or occasions | | | | | |
| **c** | Being a school teacher, I prefer to fix up(make) long term goals & do my best to achieve them also | | | | | |
| **d** | I maintain the record of my spending on regular basis | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **e** | As a Teacher, I check the affordability (i.e. whether I can bear the cost or not) with due care before buying something. | | | | | |
| **f** | I also prefer to maintain my detailed financial records of my incomes, Expenses, Profits & Losses if any. | | | | | |
| **g** | Being a School Teacher, I am very punctual in paying my bills timely/on time. | | | | | |
| **h** | I check (i.e. watch) looking for accurate/right timing for investing in the assets (i.e. Investing when cost is low) | | | | | |
| **i** | I have complete responsibility to paying back the borrowed money | | | | | |
| **j** | For my money, I like (prefer) to prepare a budget for a period of time | | | | | |
| **k** | In the past years, I have been putting my money into investments actively | | | | | |
| **l** | I use google pay, Paytm & bank application/s to have detailed idea of my cash inflows & outflows | | | | | |

## SECTION: III

***(v) INVESTMENT BEHAVIOUR [The way people (here in this study the School Teacher's i.e. the respondents of the study) make their decisions related to investment]***

Being a school teacher, do you invest whatever amount you save?

If Yes ☐ (Then answer 2nd Question) & If No ☐ (Then answer 3rd Question )

**2.** In which of the following investment alternative or saving alternative you prefer to invest or invested in the recent years?

| | **Instruments** | **Not Preferred (1)** | **Least Preferred (2)** | **Preferred (3)** | **Relatively Preferred (4)** | **Most Preferred (5)** |
|---|---|---|---|---|---|---|
| **A** | Fixed Deposits | | | | | |
| **B** | Shares | | | | | |
| **C** | Post Office Saving Schemes | | | | | |
| **D** | Precious Metals (Gold & Silver) | | | | | |
| **E** | Mutual Funds | | | | | |
| **F** | Real Estate | | | | | |
| **G** | Insurance & Pension Plans | | | | | |
| **H** | Bonds & Debentures | | | | | |
| **I** | Others | | | | | |

**3.** As a school teacher, please select one or more than one reason/s of not investing:

Risk taking fear Unable to understand investment Like to have Cash in hand

☐ Expenses are already very high that nothing is left for investment

☐ No knowledge of investment ☐ Any other reason (Please tell)

**4.** As a School teacher, Please Confirm the objective of your investment:

☐ Planning for Tax ☐ Marriage ☐ Buying insurance cover for family health

☐ For the education of family members ☐ Planning for Retirement

☐ Purchasing of House ☐ Others (Please confirm)

**5.** Give Ranking to the objectives of your investment [ 1=Most preferred, 2=Relatively Preferred, 3=Preferred ,4=Least Preferred & 5=Not Preferred]

☐ Planning for Tax ☐ Marriage ☐ Buying insurance cover for family health

☐ For the education of family members ☐ Planning for Retirement

☐ Purchasing of House ☐ Others (Please confirm)

**6.** Being a School Teacher, please rate the following sources of information which you can prefer to use while investing [5 = Most preferred, 4 = Relatively preferred, 3= Preferred, 2 = Least Preferred & 1= Not Preferred]:

| | **Sources of Information** | **Not Preferred (1)** | **Least Preferred (2)** | **Preferred (3)** | **Relatively Preferred (4)** | **Most Preferred (5)** |
|---|---|---|---|---|---|---|
| **A** | Digital Media & Financial Newspapers | | | | | |
| **B** | Family members, Relatives & Friend Circle | | | | | |
| **C** | Recommendations of Brokers, Agents, Advisors & Financial Analysts | | | | | |
| **D** | Information from existing investors | | | | | |
| **E** | Financial Planner(certified) | | | | | |
| **F** | Research Agencies Published reports | | | | | |
| **G** | Discussion with Professional Colleagues | | | | | |

These are some prominent Variables that can influence your investment decisions. Therefore, being a school teacher, please rate them on scale: [Not Influence =NI =1, Least Influence =LI=2, Neutral =N=3, Somewhat Influence = SI=4, Most Influenced =MI=5]

| **1** | **Statements** | **NI (1)** | **LI (2)** | **N (3)** | **SI (4)** | **MI (5)** |
|---|---|---|---|---|---|---|
| **A** | Inflation rate | | | | | |
| **B** | Investment Time horizon | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **C** | Purpose of diversification | | | | | |
| **D** | Family member opinion | | | | | |
| **E** | Getting rich intent | | | | | |
| **F** | Agents/brokers/advisors recommendations | | | | | |
| **G** | Friends & relatives' opinion | | | | | |
| **H** | Investment safety | | | | | |
| **I** | Past performance of investment avenues | | | | | |
| **J** | Associated risk with investment avenues | | | | | |
| **K** | Stock price fluctuation of the firm | | | | | |
| **L** | Past experience of investment | | | | | |
| **M** | Liquidity of the investment | | | | | |
| **N** | Benefits of income tax deductions | | | | | |
| **O** | Familiarity of investment avenues | | | | | |
| **P** | Expected rate of return on investment in near future | | | | | |
| **Q** | Discussion with professional colleagues | | | | | |
| **R** | Discussion with existing investors | | | | | |
| **S** | Being financially rich at the earliest | | | | | |
| **T** | Company goodwill in the market | | | | | |

What return do you expect from your investment?

☐ 5%to10% ☐ Above 10%to 20% ☐ Above20%to40% ☐ Above40%to50% ☐ >50%

**9.** In which category you would keep yourself as an investor?

☐ Low risk taker ☐ Moderate risk taker ☐ High risk taker ☐ No Risk taker

**OPEN ENDED QUESTIONS:**

1. Being a School Teacher, what challenges do you face in managing your finances &investments?

2. As a School Teacher, what steps do you take to continually improve your level of financial literacy?

3. As a School Teacher, what are the key things/factors you consider before making an investment?

4. Being a School Teacher, what are your main financial goals for next five years?